

Commission on Streamlining Government

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Advisory Group on Civil Service and Employee Benefits

Minutes of Meeting
November 4, 2009

DATE APPROVED: November 16, 2009

I. CALL TO ORDER

A meeting of the Advisory Group on Civil Service and Employee Benefits was held on Wednesday, November 4, 2009, in the John J. Hainkel, Jr. Room at the State Capitol in Baton Rouge, Louisiana. The chairman, Representative Jim Morris, called the meeting to order at 9:30 a.m.

II. ROLL CALL

The Secretary called the roll and the following was noted:

MEMBERS PRESENT:

Representative Jim Morris, Chairman
Representative Kevin Pearson
Representative Karen St. Germain

MEMBERS ABSENT:

Representative Mike Danahay
Lansing Kolb

STAFF PRESENT:

Laura Gail Sullivan, Coordinator
Ann S. Brown, Analyst
Michelle Pickering, Secretary
Evelyn McWilliams, Fiscal Analyst

Clark Gradney, Budget Analyst
Karen LeBlanc, Senior Auditor
Camille Pampell Conaway,
Governor's Office, Policy Adviser

Advisory Group on Civil Service
and Employee Benefit

WITNESSES:

Jean Jones, Department of State Civil Service, Post Office Box 94111, Baton Rouge, Louisiana 70804

Howard Sanders, Louisiana Workforce Commission, 2001 22nd Street, Baton Rouge, Louisiana

Tia Edwards, Louisiana Workforce Commission, IWTP, 1001 N. 22nd Street, Baton Rouge, Louisiana 70803

Benny Soulier, Louisiana Workforce Commission, Baton Rouge, Louisiana

Bob Harper, Department of Natural Resources, Baton Rouge, Louisiana

Jerome Zeringue, Office of Coastal Protection and Restoration, 450 Laurel Street, Baton Rouge, Louisiana

Peter Bondy, LLA, Baton Rouge, Louisiana

IV. DISCUSSION:

Representative Jim Morris asked that all cell phones either be turned off or silenced. He introduced the newest member of the advisory group, Representative Karen St. Germain. He advised that advisory group that they would be meeting again next week, Monday, November 9, 2009.

Laura Gail Sullivan advised the advisory group and the audience that the rules of the commission provided that after they received a recommendation from the advisory group the recommendation was sent back for additional public comment for a period not to exceed 14 days. She said that this advisory group advanced its first set of proposals on November 3, 2009. The chair decided that the advisory group would take final action on all of the proposals which had been received by the full commission and referred back to the advisory group on November 16, 2009. This will include any proposed recommendation that would be approved today, November 4, 2009, and any proposed recommendations that would get approved on November 9, 2009, that would go before the full commission to be received on November 10, 2009. The rules require a final action on every proposal, so every proposal that had already come through would have to come up on the agenda again. So, if anyone has any comments or language changes on what was advanced, they need to get those into the advisory group, they are open to any suggestions. Additionally, any proposals that might not make it back to the advisory group before November 16, 2009, will be considered for final action on November 23, 2009. Currently the next meeting of this advisory group is scheduled for November 9, 2009, at 1:30 p.m. at which time the advisory group will hear presentations from LASERS on the 1984 and 1986 retirement incentive programs, additional information on what other states have done to reduce the workforce including voluntary and involuntary actions, like layoffs, furloughs, retirement incentives, providing for an early retirement or buy out programs. There will be information on severance programs and how they differ from buyouts and retirement incentives. The advisory group will also receive information from Civil Service relative to the procedures for furloughs and layoffs. The advisory group will taken final action on all proposals which had been received by the full commission.

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November 16, 2009 the advisory group is scheduled to meet at 9:30 a.m. to hear testimony on the state's comprehensive personnel training program, information about the national career readiness certificate, ACT work keys assessment, comprehensive information on state employment and Civil Service and the final advisory action on all proposals which are received at that time.

November 23 is the last date that the group currently has scheduled for any proposals that have not had final action by the advisory group and any other matters that need additional attention.

Representative Morris called on the Louisiana Workforce Commission.

Representative Morris commented that the advisory group was looking for any information to help benefit employees of the state of Louisiana.

Howard Sanders replied that the Louisiana Workforce Commission was a partnership between Louisiana government and the local business community. The Louisiana Workforce Commission Incumbent Worker Training Program was created in 1997 by Act 1053 and is funded through a social charge on unemployment insurance. It was originally funded at 6 million, currently the maximum funding amount is 35 million. He said that it was really designed for the incumbent worker training force of existing businesses. The business had to be in operation for at least three years, be in good standing with their remittance in unemployment insurance and have 50 or more employees. Businesses could also form a consortium and go in together to make application for an IWTP grant. The funding in general was designed to up-skill existing workers to keep their skills current, allowing them to advance within their particular speciality. The outgrowth of that would certainly be in job retention and in many cases job creation for business expansion, increased productivity and in some cases if a business saw that their workforce was at risk of their skills becoming obsolescent through changes and increased competition. He said as the years progressed, they saw a need to focus on businesses of smaller sizes, SBET (small business employee training) which is a percent of the IWTP allocations which is for businesses with 50 or fewer employees. These are companies and businesses that pay unemployment insurance premiums, that is where the fee is collected and the charge is created in an account that subsequently funds the training. The training is provided either through private or public institutions. There was no restriction on which way it goes, it was done with a grading system when they make applications for the program. They have had great results, the average pay increase that was captured after a company received a grant is about 14% for their employees. He said that it was a substantial economic impact to the citizens that benefit from the training. It was his belief that it was a beneficial program to the businesses of Louisiana.

He said that the Louisiana Workforce Commission, as an agency, had the capabilities of meeting or responding to the potential impact of a layoff for state employees, if that should in fact become the case, the Louisiana Workforce Commission would see that it is no different than any other layoff, whether it be public or private. Currently, their responses have been geared toward private institutions that have announced layoffs. However, they

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have statewide capabilities to respond and respond quickly through deployment, even to the point of mobilizing to a particular area and doing onsite registration for impacted individuals complete with enrollment in UI. He said they could integrate impacted employees public or private into their virtual one-stop - their business and career solution center for . . . In the event, they would have a situation where state employees would be impacted, they had the capability to treat that as a separate and distinct event, they could either do it in globo or by impacted agency. Allowing transparency, the ability to track where each of those participants stand in the process, whether or not they had applied for unemployment and all other orientations, complete with job fairs. He said they were prepared and ready to do for state employees the same things they do for any other entity, should the need present itself.

Representative St. Germain commented after hearing the testimony and having a business that had been through the incumbent worker training program, she thought it was definitely a great program.

Representative Pearson inquired about the response to the prior announcement of layoffs the state had.

Howard Sanders responded when they receive those notices, they have the capability, to within days, be on site and part of their process was to go out, sit down with company management and get an assessment of who is being separated, how many workers, their skill level and job description. At that point, they start looking at available jobs in that area. They then coordinate with other companies to get as much information to the employee as possible, so that they are aware of what benefits are available to them. It was his opinion that they had a good working relationship with the businesses that engage because they were sensitive to their needs. He said that they had a business continuity they were attempting to maintain in the event that there was a complete shutdown or a substantial layoff in workforce. They endeavor to work with the employees to see that they were educated on all of the different programs that are available to them and getting them enrolled in UI, etc. Their goal is to get them back to work as quickly as possible. That is their true mission. They accomplish this by engaging the employees and getting them into their system where there is a record of them, then introducing them into our business and career solution center where they can do job postings, get assistance with resume writing and get some core services in order to get them back on their feet. If it is identified that they are not capable of regaining employment, then they can move to intensive and ultimately into training that is available under the workforce investment act. That will put them in a career path and get them up-skilled to where they can gain employment resulting in self sufficiency.

Representative Pearson inquired as to the number of employees in the department.

Howard Sanders responded they have both state funded and locally funded staff throughout the state if you look at the 63 business and career solution centers, it is a combination of staff. However, in the Office of Workforce Development their total employment is about 299 - their TO is about 299 individuals. The staffing levels vary by region.

Representative Pearson inquired as to the people employed by workforce development and asked if they were the ones who help with unemployment compensation.

Tia Edwards answered that they had some staff within the Office of Workforce Development at the business and career solution level, which is out in the field, who assist with those unemployment compensation needs. She said that they also had state staff in the administrative building who serve specifically the unemployment insurance clientele.

Representative Pearson inquired as to the training process and asked if these were instructors.

Howard Sanders replied when the employee comes to the business career and solution center, they go through skills assessment and then they will look for . . . it is really designed for maximum participant flexibility so the employee is able to pick a training program through an eligible training provider list. They can match their skills to their career advancement and where they want to go. LTCTS is a big training provider, but there are others, such as truck driving academies, etc, that train individuals to get them a skill and obtain a job as quickly as possible and get them back into the workforce.

Representative Pearson inquired if they were just referring these individuals to some place they should know to look anyway.

Howard Sanders responded that referral could come with support, an individual training account where their training would be paid for through the workforce invest act. Those are federal dollars that are available for that purpose. He said those were dollars of last resort after they had applied for other things such as pell grants, etc. The goal is to match that individual with the best situation possible. If an individual was employable and could get back to work, they wanted to plug them into an open opportunity to get them gainfully employed. If there was a situation where an individual could not become employed or re-employed after receipt of some counseling and some resume writing assistance and it was identified through some career development that that participant needed a more customized training solution, then under the workforce invest act, they could in turn be plugged into a training opportunity that they can select from that could hopefully get them back into the workforce.

Representative Pearson commented that he was trying to figure out the duties of the 300 employees in the department.

Howard Sanders replied that was a combination of in field staff and administrative staff across the state.

Representative Pearson commented relative to higher ed institutions providing training under an IWTP grant.

Howard Sanders responded that they were not the training provider, they are facilitators making the connections.

Tia Edwards replied the goal of the staff at the Louisiana Workforce Commission was to, not only do the assessment, but also the identification of the occupational forecasting which was to identify those high demand and high growth occupations in industry sectors within the region. Once the skills had been assessed along with the individual's ability to move into a training program, the Louisiana Workforce Commission matched that individual with an occupation in the industry sector where there was a tangible job opportunity on the end. She said they were not just placing individuals into training where there was not a demand for a job or there would not be a tangible job opportunity on the end. It is the responsibility of the Louisiana Workforce Commission to assess and place individuals into training opportunities where there is a high demand within that particular region. What a high demand is in the Baton Rouge area may not be a high demand in the Shreveport area, so through occupational forecasting, which is their responsibility through the workforce investment council, that is very critical to what they do within their agency.

Representative Pearson inquired relative to the universities and any other institutions in Louisiana who may be educating in the wrong direction or in the wrong careers.

Tia Edwards responded that she thought that was currently the goal, to look at what the higher ed commission was doing, how to better align the training, what is going on in the K-12 system, the community and technical college system, along with the occupational forecast with the LWC. How do we better align what the occupational needs are with business and industry to insure that individuals get the required training and education and assure businesses and industries that they are getting that skilled and trained employee so that they could have true economic growth and development in our state.

Representative Morris commented that he was trying to coordinate the Louisiana Workforce Commission with state employees and asked if it could work relative to state employees, would it work, what would have to be done to make it work and if not, why not. He asked that they reach out to Civil Service and try to come together on some possible solutions or other ideas for state employees in the event that there is some untimely laid off, etc.

Howard Sanders responded that he would be happy to do that. He also commented that he had reached out to some other states to see how they handled their operations. He said that they were handling budget restrictions in different ways, some through reduced work days, some with pay decreases where they were giving employees 14% to 15% pay reductions and then when they do work giving them certain credit for furlough days so that they would accrue additional time off. He said they still had feelers out to see if any other state has addressed the substantial layoff of staff and what they did along those lines. As of the meeting, he had not yet heard back from anyone.

Representative Morris asked that he stay after the individuals that he had contacted. He was interested in knowing what the other states had actually done.

Representative St. Germain commented as to whether or not they had been in touch with the NCSL and those types of groups who actually coordinate in gathering a lot of information.

Representative Pearson inquired as to the 300 employees and asked how long had they existed and wondered if there had been any benefits derived from it over the past years.

Howard Sanders replied that the Louisiana Workforce Commission was previously the Department of Labor. The 300 employees were in workforce development, the agency itself was larger than that. The total agency number is 928 employees. Talking about training, it is done through the business and career solution center and that is comprised of both state funded and locally funded staff. They are providing the intake of the participants as they come through. Looking at the activity level of the number of citizens entering the doors for the past several years, you would see a substantial year over year increase. Going back three years, the number was somewhere in the neighborhood of 153,000, the year after that around 180,000 and the year that was just completed, they saw 217, 000 citizens come through the doors for some type of service. He said that they continue to meet the performance measures that were negotiated with the U.S. Department of Labor when it comes to job placement and the people that can be seen going back to work. He said roughly 65% of the participants that come through the workforce development system actually return to employment.

Representative Pearson inquired as to the number of employees that were eligible for retirement.

Howard Sanders answered 144 of the 928 employees could retire today.

Representative Pearson inquired as to the number of employees who had retired and then returned back to work.

Benny Soulier responded that several of them had actually returned to work. He said approximately 234 of the 928 total population were in supervisory positions and of those 143 (or 61%) would be eligible to retire by the end of this fiscal year. It was his belief that they had a relatively seasoned workforce where the eligibility for retirement was quite significant, which meant that they are eligible to retire, but does not necessarily mean that they will retire.

Representative Pearson stated that if some of them would retire, we could probably put some other people to work that are out in the workforce looking for work at a reduced salary. He asked again for the number of the individuals who were retired and collecting a retirement benefit and who had been re-hired and now collecting a salary too.

Benny Soulier responded that he could get the advisory group that number. The majority of those folks would be individuals that they brought back to work in the unemployment insurance call centers. He said they have had a significant increase in the number of claims and a significant back log in the ability to address those claims. By

bringing back re-hired retirees, they were bringing back very knowledgeable folks that could hit the ground running. This is a short term event, where as soon as they got control of the volume of work, those individuals would go back into retirement. He said that he did e-mail a spread sheet with a list of all the rehired retirees and for some reason the number 43 sticks out.

Representative Pearson inquired as to whether or not it was costing more for those employees than it would for someone that might take a little while to train.

Benny Soulier replied that depended on the positions that they came back at and the ones that were actually filled. The primary void they have now, the bottleneck is in what is called adjudications. That is the most complicated part of the unemployment insurance system where they actually have to go in and determine whether someone was eligible by evaluating the information brought in by the employer as well as testimony from that individual. It takes time for someone to really acquire that knowledge in order to make those types of decisions. So the best fit there was to bring someone back in and get a hold of the bottleneck as quickly as possible in order to move those claims to the call centers.

Representative Morris asked for Ms. Jean Jones to come up, he wanted to make sure she understood his recommendation that the Louisiana Workforce Commission work with the Department of State Civil Service to come up with some ideas regarding training of state employees.

Jean Jones responded that they would be happy to work with the Louisiana Workforce Commission. In years past, when agencies have experienced layoffs, it was Civil Service's experience that the Louisiana Workforce Commission and the Department of Labor's staff were very responsive in doing just as described, that rapid response of going out to an agency with the agency representatives and the Civil Service representative to inform and educate those employees about what the process was for applying for unemployment insurance and what other kind of opportunities they may have, etc. It was her understanding that what the advisory group was looking for was an exploration of training opportunities and how some of those things might be expedited.

Representative Morris commented that the recommendation would be forthcoming to try to coordinate both departments in this area. The committee's intention is to have the state employees be treated the same way anyone else would be. He told the members of the audience that if there were any areas that looked like it was going to take some legislative changes in order to accomplish the task, to please bring them forward as quickly as possible.

Representative Morris requested the information that they had requested from other states.

Representative St. Germain inquired as to the numbers that you have in unemployment a year ago to this year and asked for the difference in numbers.

Tia Edwards replied in terms of claims, they had doubled the amount of claims. In some weeks the figures are double, in some figures are almost triple, in terms of numbers. The adjudication is the issue, when there is a claim you have to look at the issues with the employer. The claims had to be adjudicated because if they were not, there are issues with overpayments or even under-payments. She said they had to be judicious in terms of insuring that they were doing the right thing in both instances by the client on both sides. It was her belief that they were doing everything they possibly could to work through this, they increased the numbers in the call centers and increased the numbers in terms of those staff who are doing the adjudication. She thought that it is very important that they had the knowledge in that area in term of adjudication.

Representative Morris asked that they contact Ms. Laura Gail Sullivan and let her know when the meeting between the Department of State Civil Service and the Louisiana Workforce Commission had been arranged.

Laura Gail Sullivan read the recommendation: The Office of Workforce Development and the Department of Civil Service should begin discussion now and in anticipation of a reduction in the state workforce and develop a plan for easing the transition from state service to private sector employment.

Representative Morris moved the recommendation forward.

Representative Morris called on the Department of Civil Service.

Representative Morris stated that the advisory group was looking for was some discussion of short term disability.

Jean Jones appeared and testified saying that it was her belief that the question of short term disability arose when the advisory group was discussing what the current leave option were for state employees today. She said that medical leave and vacation leave for classified state employees are governed by rules established by the State Civil Service Commission. Leave benefits for unclassified employees are not governed by the Civil Service Rules, those are typically going to be governed by an executive order issued by the governor, typically the governor issues an order that is very similar to the leave rules for the classified employees. She said that she would be talking this morning about the leave issues and benefits that refer to classified employees only, since they have no jurisdiction over the unclassified.

Representative Morris inquired as to the number of employees that this would affect.

Jean Jones answered somewhere around 61,000 classified employees and about 31,000 unclassified. So that would be a total of about 92,000 employees. She said that she was estimating because that document she had was in full time equivalents rather than human beings.

Representative Morris inquired as to whether or not this number included higher ed and all.

Jean Jones answered that would include higher ed. She said that holidays were governed by statute and those statutes are the same for all employees, classified and unclassified. The Civil Service Rules with regard to medical leave, usually referred to as sick leave applies to all classified employees and those restrict the use of sick leave to only when the employee is, him or herself, ill or injured. It is limited to the employee's illness, injuries or medical condition that would prevent them from working. Each individual state agency establishes their own policy about how the employee notifies, applies for leave, what type of requirement that agency may place on that employee to document medical certification either for absence or for return to work. So the Civil Service Rules provide a very broad framework and within that the agencies develop their own policies about how they manage tracking and approving leave. Accrued sick leave is currently the only form of short term disability benefit that is available for employees. If an employee has to have surgery or suffers an illness or injury that would require an extended absence, the only benefit that they would have other than the Office of Group Benefits medical payment for the medical care, but as far as replacement or maintenance of any kind of income is any unused sick leave that that employee has accrued. That is the only thing that is available for that person other than workers' comp.

Representative Morris commented that what he was looking for under the sick leave aspect was a thought process of the possibility of actually supplying an insurance versus days at a possible savings, if there was such a thing.

Jean Jones replied that she thought he wanted to explore the idea of perhaps changing the current way that sick leave was earned, accrued and carried forward by employees and studying whether a short term disability program could go in tandem with changing the way that that leave benefit occurs right now.

Representative Morris stated a combination of the two was more what he was thinking of.

Jean Jones responded that she was not aware of a study that had been done to do that kind of financial evaluation or to make a recommendation of making that kind of change. She said that she could offer that if a change were made in the earning rate of sick leave for employees, any change of that nature could be made, but the effect would be prospective. It was her opinion that it would be very helpful to have someone do a study to look at medical insurance short term disability. If short term disability coverage were available, that in tandem with prospectively changing the sick leave accrual would be very helpful to the state.

Representative Morris inquired as to who might be involved in that.

Jean Jones answered the Department of State of Civil Service, the Office of Group Benefits and all of the retirement systems. She said what they would perhaps look at would be contracting with some of the financial insurance planning experts to come in and do a study of the total benefit compensation package. Then perhaps offer some different options of what the cost might be, whether it would be a saving or not. She said that we would probably need to choose what option the state wanted to go with and you would want a financial analysis of what those different options would provide and what they would cost.

Representative Morris inquired as to whether or not she would check and see if anyone in statewide government across the area might be trying to do that.

Jean Jones replied that she certainly would. She said that she knew that they had looked very broadly at some of the national surveys that were done had indicated to Civil Service that about 70% of other states responding to the National Association of State Personnel Executives as part of the Council of State Governments indicated that they have some type of short term disability and would be happy to get some information from those states.

Representative St. Germain asked for a brief description of the length of time and what that entailed.

Jean Jones commented that she certainly did not want to present herself as an expert in defining the terms of short term disability. She said that the most common example she could think of would be maternity leave or someone who would have to have major surgery. It was her belief that a short term disability would provide for some portion of income while that employee was out. Right now because there is not an insurance program that provides for that, it is accomplished through the employee earning for every hour they work, they earn a percentage of an hour that they can accrue and then when they have a need, they can take time that they have accrued.

Representative St. Germain inquired as to how governments paid for the short term disability or is that something that we would offer and asked if the state currently offered that option.

Jean Jones responded that the state did not currently offer such a benefit and thought the cost would be a factor that the state could consider.

Peter Bondy, actuary with the legislative auditor's office, appeared and testified with respect to short term disability. Currently in the state of Louisiana, state employees earn more days of sick and vacation leave the longer they are employed. In the private sector, an employee might earn more vacation days the longer they were employed, but not sick leave. An employee, in the private sector would only earn a particular number of days for sick leave a year. There is also the issue of rollovers, private sector might allow some, but probably more would not allow any rollovers. In the private sector the employees have short term

disability and long term disability. Short term disability being a coverage to provide for benefits which would be the elimination period for long term disability. So if long term disability kicked in 90 days or six months later, while you are totally and permanently disabled in accordance with the definition of that program, you would get short term disability benefits. He said very often in the private sector short term disability was self insured, meaning self funded like they do with OGB, whereas long term disability would be employer - employee matching some type of sharing in the contribution. He said that short term disability was usually not a part of the retirement plan, it is part of the group benefits plan. Long term disability might be part of the retirement plan if you had a defined benefit plan. He said in the context of the conversation about a defined contribution system it would not be a part of retirement either. It was his belief that if the group was going to look at modifying benefits, they should not just look at one benefit by itself, but at the entire package and work with the entire package. He thought some individual benefits could be modified, but should be done by looking at it in terms with the entire package.

Representative Morris stated for the record that state employees were not under social security and that was the reason for this discussion. He said that he was going to make a suggestion of looking at an overall package. He also suggested to anyone who might be interested, employee council might even need to be involved in this type of overview of what we were going to be looking at. He said that was going to be a recommendation that would come out of the advisory group, but wanted input from all organizations as to who needed to be at the table and involved in this process.

Representative Pearson stated that to understand all of the benefits to consider what needed to be done, he thought we needed to understand each individual benefit. It was his understanding that each annual and sick leave, in other words, for someone who works for the state from one to three years, they get twelve days and asked if that was correct.

Jean Jones replied correct, one to three years of service they earn twelve days for each of those years and currently any that the employee did not use carries forward.

Representative Pearson commented but someone who had been in state employment for fifteen years earned twice as much, twice as many days of accumulated sick and annual leave as those in the private sector and asked who set these parameters.

Jean Jones answered the Civil Service Commission set the current schedule of earning of leave and suggested that was why they would be one of the players in making any change to it.

Representative Pearson inquired as to how the Civil Service Commission was established and who made up the commission.

Jean Jones answered that there were seven Civil Service Commissioners, one of them is a classified employee who was elected by classified employees. The other six are

appointed by the governor after being nominated by one of the private colleges and universities in different districts around the state. Those six individuals are private citizens who serve on the commission from those different areas. It is similar to the ethics board.

Representative Pearson inquired as to the rollover aspect of the leave and asked if an employee was entitled to rollover their leave continuously.

Jean Jones responded currently any leave in either category that is unused accumulates and if they still have leave accumulated when they retire, then the retirement system has a formula that allows them to credit that unused leave towards their retirement. If they leave, resign, or separate from state service other than retirement, then the rule is that they are paid for up to 300 hours of the annual or vacation leave time only. Not the sick leave. She said that was a fact that she thought should be looked at when talking to agencies about potential reductions in force. If an employee is laid off and that employee has annual leave to their credit on the books, one of the things that would happen is that they would be paid for up to 300 hours of that unused vacation time.

Representative Morris commented with that in mind, the unintended consequences of getting rid of all of the people that are eligible for retirement or whatever sector you chose to look at, the unintended consequences was something that he thought the advisory group needed to be educated on. He asked that Civil Service fix the group a chart of some sort reflecting the unintended consequences of selecting this group or that group, etc. He said that the advisory group would not take away any benefits that had already been accrued, but thought that they may look at the benefits to see if there was a new way or a more appropriate way to address that issue. He said they were not going to try and eliminate a benefit to the employees, but maybe actually bring it up to date, that might be beneficial to them and to the state.

Jean Jones responded that she thought he was looking for some representation of both, when an employee retired, what happens to the leave benefits and the impact on that and then also when an employee is laid off what the financial impact is for the state following that or even when an employee voluntarily separates, what happens. She said that she would be happy to work on getting the advisory group that information.

Representative Pearson inquired relative to the sick leave and each agency setting the parameters on how it was implemented.

Jean Jones replied how they manage what an employee had to do to call in to be on sick leave and what that employee had to do to either produce a doctor certificate to remain on sick leave or return to work. Each agency has their own procedures as to how they handle that, but each agency did not have the ability to change the earning rates.

Representative Pearson commented that maybe there should be more defined parameters set by Civil Service to insure that there was no potential for any type of abuse and asked if there was a booklet of rules and procedures that the managers had to go by.

Jean Jones responded that Civil Service currently provides the rules which establish the laws. In addition to that, they provide agencies with an HR Handbook, which is an online interactive document that provides them guidance for how they can choose the options available to them within the rules. The handbook also provides them with examples of policies including examples of policies from other agencies. Civil Service also provides training for the human resource folks in the agencies, as well as HR curriculum that they do annually every year which is a certain number of days of training. However, not all at once, the training is done in segments on the different topics available to them. She said so Civil Service does provide that kind of guidance to the agencies. They also have an assistance division set up with assistance teams that are basically agency service reps. Each agency has an assigned coordinator they can contact for any question or issue they might have. If they need somebody with expertise in compensation or discipline or whatever it may be, Civil Service would pull a team together to provide that agency with whatever they needed.

Peter Bondy commented that very often the benefit under short term disability was full income, 100% replacement. In long term disability, less than 100%.

Representative Morris commented that the advisory group came up with a value and thought that Civil Service might want to look at and possibly consider. He said the reason that they were looking at leave and utilizing numbers, and certainly, numbers could be juggled, utilized, misused, appropriately used, etc, but based on usage we are assuming that each employee might use five days leave of either sick or annual per year. Annual value being about \$984 per employee, that's an 85 million dollar deal annually for the state. As you can see based on the accrual information that you have, if it is utilized even more so it just continues to grow. He thought that it was something that had to be looked at. He said that he also wanted to know if there would be any legal ramifications in changing the leave procedure.

Representative Morris commented that the state may not see an immediate savings by reducing leave accrual.

Jean Jones answered that was correct. It is not necessarily going to be cash, but rather if a person did not have so many days off, they would be more productive, so it would be an increase in productivity not necessarily a cash-in-hand savings.

Jim Morris stated that he did not want the employees not to have anything to fall back on if the streamlining commission did do something with the leave, that was the reason for the short term disability. It was not the intent of the advisory group, they are not trying to take away, they are just trying to find a possible better means by which to accomplish what it is that we have and what we can do in moving forward.

Representative St. Germain commented a lot of times that this leave is accruing there are also employees that never use it in the end, it is accruing because they see the need for the possibility of using it later down the road and in the end it never gets used.

Peter Bondy stated that the availability of long term disability benefits was very limited and thought that the time accrued could serve for that purpose.

Representative Morris stated the advisory group was going to sit down today and look at the possibility of reviewing the benefit package of the state to incorporate several different things, Civil Service and OGB would be there and asked who else should be there.

Jean Jones replied certainly the retirement systems, the Division of Administration, the planning and budget department and possibly the Office of Risk Management as well with their expertise of liability types of concerns and maybe the workforce development group.

Laura Gail Sullivan commented that she thought the managers of the agencies were usually directed as supervisors to be sure that their employees were not using up all of their leave and that was a conversation, sort of counseling, that is done with employees, if they do seem to use all of their leave all of the time, that those employees are called in and advised of the reasons why they needed to bank their leave, because there is not any other recourse for continued compensation if something was to happen and they would be forced to take leave without pay. She said that one of the reasons in some of the departments that the employees seem to have a large accumulation of leave is because that is what their supervisors have instructed them to do.

Jean Jones replied that she was aware that that did happen in some agencies. She said that the executive branch of some of the major agencies, one of the tools that was provided for managers is the ability to see a report at any given point in time of the leave usage rate and the balances of their employees' leave and thought that there were some agencies that even incorporated attendance or absence rate for any reason as part of their performance evaluation for jobs where attendance is critical. She wanted to add in another factor when talking about the issues of leave usage or non-usage was also those employees who worked in jobs where there was a lot of mandatory overtime. This does not impact the ability to use the sick leave so much, but that may be why employees are never ending up taking vacation time, because they are required to work overtime and when they do ask for a day off what they would actually be taking would be the K-time that they had earned as a result of that overtime. It was her belief that there really were a lot of different pieces that would come into the mix that could be different depending on the type of work that the agencies performed when talking about leave. Those issues were very different for a 24 hour facility than an 8 hour facility and probably very different for hospitals than for prisons versus office type job or folks out in the field. She thought that there were a lot of considerations to be had when dealing with leave issues.

Representative Pearson inquired as to the accumulated sick leave that an individual has when they retire how does that go towards the retirement.

Jean Jones read to the advisory group a statement from the LASERS retirement system website because she felt that was a question for the retirement system, but would share with the advisory group the information she had "What happens to my sick and annual leave if I retire? By law your agency is required to pay you up to 300 hours of annual leave at retirement. Payment for 300 hours is based on your hourly rate at termination. For most members: you have two choices related to the balance of your annual and sick leave . . ." She provided the advisory group with a copy of that statement. For more detailed information, please see handout.

Peter Bondy replied that he thought that there was a limit of one years worth of service.

Laura Gail Sullivan responded that she thought that it was unlimited.

Peter Bondy stated that he thought the employees that retired with unused leave was basically getting an additional retirement income amount. He said that there was one element that had not yet been discussed. It was what he called the saving account element, in that since the time an individual saved today might be used 30 years from now when the individual retired and the value of that time appreciated together with the salary increases.

Representative Morris thought that might be a cost to the state, but would cost the state more to try to keep up with the fact that the leave was earned at a certain dollar amount an hour 30 years ago than it would be to pay the employee now at the increased salary.

Peter Bondy replied that he thought there might be a cost to the state for doing this, but was not acquainted with how much the cost would be to keep those records.

Representative Pearson inquired as to the lump sum payment for the 300 hours and asked who paid for that.

Peter Bondy responded that he did not know.

Representative Morris asked for any information from any sector of society whether it be e-mails, written letters, etc. and informed the audience that the advisory group would now be moving into that area of discussion and asked Ms. Sullivan to read some of those suggestions and comments that had been received.

Laura Gail Sullivan stated that on the streamlining website there were several options for citizens to send in comments and suggestions. She read these comments and suggestions into the record:

Merge state historic sites from within the Office of State Parks with sites under the Secretary of State;
Merge overlapping elements of DEQ with DNR;
Move the Division of Archaeology to DNR;
Consider early retirement program especially for the Department of Corrections;
Reduce administrative personnel at Division of Probation and Parole, there are too many;
Provide early retirement packages and force out those personnel in DROP or re-hired retirees;
Reduce wear and tear on vehicles and overtime for probation and parole agents by increasing the number of agents;
Allow probation and parole employees to retire at age 50 with a minimum of 15 years of service;
Troopers in gaming have three supervisors for each employee;
Retirement for state troopers is excessive, 3.3% retirement with full pay at age 50;
Louisiana is one of only three states that allows employees to save earned leave from year to year;
Reduce holidays and rate of leave earned by employees;
Require employees to work their scheduled time and not allow time for breakfast as compensatory time or overtime;
Cap the amount of compensatory time that could be accrued to limit pay outs upon termination;
Prohibit rehiring of retired state workers;
Consolidate supervisor management positions who must be over at least ten employees;
Put all managers on salary, thereby eliminating overtime;
Abolish all automatic or guaranteed salary increases, both cost-of-living and merit.
Consider eliminating all unclassified positions in state government as these are generally patronage positions;
Change sick leave policy to five days per year unless due to a serious illness;
Require employees to use accrued annual leave to take time off on state holidays;
Provide better benefits for current and future state employees to retain and attract employees;
Reduce or eliminate lower performing programs;
The real fat that needs to be streamlined is at the administrative level, especially in DSS;
Go to a four day work week at ten hours per day;
Perform unannounced onsite visits to state agencies to gauge the amount of work being done and the need for employees;
Review the Florida experiment roughly twelve years ago under Lotten Chiles in operating a department with fewer people. It was a success with remaining employees being given financial incentives;
Cross train employees to do multiple tasks;

- Compare state employees with employment in other states to match correctly as services are handled at different levels, state, county and local;
- Consider an early retirement program;
- Prohibit rehiring of retirees;
- Reduce the number of unclassified state employees to no more than five per department including the governor's office;
- Establish more stringent educational and linguistics qualifications for State Civil Service employees;
- Establish a merit pay scale to reward good employees;
- Lift the state hiring freeze and start hiring employees and help fund the hiring of employees by local government;
- Urge close monitoring of employees to comply with the time limits of their lunch period;
- Urge close monitoring of the use of state vehicles;
- Eliminate student workers;
- Require two unpaid days off per month by each state employees;
- Lay off employees;
- Freeze current employee salaries for the next two years;
- Require greater employee contributions for health benefits including dependant health care;
- Reduce higher paid state positions;
- Eliminate state group benefits self insurance programs, provide only private insurance options for employees;
- Abolish Civil Service
- Make all employees retire immediately after completing DROP. If they want to continue after job, they must apply for the job and if selected must start over as a new higher with zero years of experience.
- If an employee declines to enter DROP, they must retire after 40 years;
- Increase OGB premiums, but offer credits for those employees who live a healthy life style determined by weight, smoking preference, etc;
- Do not make across the board cuts to agencies, it hurts those that have been operating efficiently.
- Don't add high paid unclassified employees;
- Give state workers with 25 years or more of service more of an incentive to retire;
- Get rid of community outreach employees, at least the ones making \$82,000 and assigned a state vehicle;
- When state employees retire, do not replace them, move the job title to different sections so someone already working, who can do that job, even a supervisor;
- Do not replace employees lost through attrition;
- Eliminate redundant high paying jobs in administrative offices;
- Utilize more work release community workers to supplant staff;
- Eliminate redundant job duties that are shared by two agencies to do the same duties, examples are architects and engineers at DOA and agencies;
- Monitor personal use of state postage;
- Prohibit employees from bringing personal trash to work to dispose at public expense;
- Let one worker handle food stamps, child care and medicare cases, household, merge the functions for one employee;
- Eliminate wage employment and place everyone on a salary;

- Provide a rail system for commuting state workers between Baton Rouge and New Orleans;
- Decrease the number of assistants to managers and directors and replace with a secretary;
- Implement work site wellness plan to improve employee health and decrease insurance cost;
- Change retirement plans for employees who work beyond completing DROP
- Reduce middle management positions
- Eliminate vacant positions and shift the duties to filled positions;
- Require that the federal government pay for all unfunded liabilities;
- For the House and Senate eliminate perks for elected officials, no health care benefits or retirement and require a 40 hour work week during session;
- No pay raises for legislators;
- No special legislative sessions;
- Eliminate the LSU Ag Center;
- Consolidate higher education boards; and
- Consolidate levee districts;

Representative Morris called on the Department of Natural Resources.

Bob Harper appeared and testified that it was his belief that they still had one issue open with the department's top 10 list that was submitted to the commission and that was the movement of state lands to the Department of Natural Resources from the Division of Administration. He stated that they would now like to move forward with that recommendation and have the advisory group endorse it for consideration by the streamlining commission.

Representative Morris inquired as to how that came about.

Bob Harper replied that they had a meeting recently with the Division of Administration where several issues was discussed.

Laura Gail Sullivan read the recommendations: The Division of Administration should integrate some responsibilities of the Office of State Lands with the Department of Natural Resources.

Representative St. Germain inquired as to the use of the word "some" and asked if that would mean that one would fold into the other or if it meant that just some of the things. . .

Bob Harper replied that most of the things . . . it was their intention to leave with the Commissioner of Administration the authority to assign space in state office buildings and to actually formally transfer property would remain with the Commissioner of Administration, but DNR would assume the day to day functions of the office.

Representative Morris moved that recommendation forward.

Representative Morris called on the Office of Coastal Protection and Restoration.

Representative Morris commented that this had been kind of a work-in-progress for coastal protection and the advisory group. He wanted them to understand that nothing could be changed from what was added, however, once it was made a recommendation, the advisory group or someone else on the streamlining commission could amend it, defer it or not pass it, etc. He said that Ms. Sullivan was going to be reading the recommendations submitted to the advisory group by the Coastal Protection and Restoration agency.

Laura Gail Sullivan read the first recommendation (AGCS #19): The Office of Coastal Protection and Restoration should continue to integrate the state's existing coastal restoration, hurricane, and flood protection efforts.

Representative Morris moved the recommendation forward.

Laura Gail Sullivan read the second recommendation (AGCS #20): The Office of Coastal Protection and Restoration should continue utilizing the support, staff, science and legal services of other agencies to avoid duplication and retain efficiency:

Representative Morris moved the recommendation forward.

Laura Gail Sullivan read the third recommendation (AGCS #21): The Office of Coastal Protection and Restoration should continue to develop a prioritization tool to guide funding decisions and to identify the best opportunities to restore the ecosystem and protect Louisianans from hurricane and storm damages.

Representative Morris moved the recommendation forward.

Laura Gail Sullivan read the forth recommendation (AGCS #22): The Office of Coastal Protection and Restoration should initiate a study to determine the appropriate roles and responsibilities of levee districts, parish governments, the state, and federal agencies involved in hurricane protection and coastal restoration efforts.

Representative Morris moved the recommendation forward.

Laura Gail Sullivan read the fifth recommendation (AGCS #23): The Office of Coastal Protection and Restoration should provide programs for carbon and water credits and apply the revenue raised to the cost of project development and implementation within the agency.

Representative Pearson inquired as to where they were going to give credits without costing money.

Jerome Zeringue replied that this was one of the two new initiatives that they were working on in trying to secure additional funding to support the program, the potential is that there is currently a voluntarily market for trading credits associated with carbon, green house gas, carbon sequestration and what they were going to try to do was tap into that market and utilize that fund to develop projects for coastal restoration. He said there was possibly a cap and trade legislation that would require entities, utilities to address that would be another opportunity to create revenues to support the program. He said if that did happen there

would be substantial amounts of money that they could utilize to help restore and protect our coast.

Representative Pearson inquired as to whether or not this could be an industry in Louisiana.

Jerome Zeringue responded that it was their hope that it would be a way to help protect and rehabilitate the coast and utilize it to achieve some of the goals that they currently did not have the funds required to accomplish.

Representative Morris moved the recommendation forward.

Laura Gail Sullivan read the sixth recommendation (AGCS #24): The Coastal Protection and Restoration Authority should ensure that the Office of Coastal Protection and Restoration engages in the third party, project-level technical review known as Independent Technical Review (ITR) that provides recommendations concerning project plans and designs.

Representative Morris moved the recommendation forward.

Laura Gail Sullivan read the seventh recommendation (AGCS #25): The Office of Coastal Protection and Restoration should continue to pursue the strategic deployment of mitigation funds to provide quicker start and faster completion of projects.

Representative Morris moved the recommendation forward.

Laura Gail Sullivan read the eighth recommendation (AGCS #26): The Office of Coastal Protection and Restoration should continue to reduce the time it takes to complete the contracting process.

Representative Morris moved the recommendation forward.

Laura Gail Sullivan read the ninth recommendation (AGCS #27): The Office of Coastal Protection and Restoration should work with federal partners to improve the project development and implementation process, focusing on a reduction in the time which elapses between the initiation of a concept to completion of the project.

Representative Pearson inquired as to whether or not this was even possible with the corp.

Jerome Zeringue replied that Mr. Graves was currently in Washington working on that very thing. He said in view of the fact that it was 40 years from inception until completion, the goal of this initiative was to try and get the project completed in a more timely manner. He also said that they were developing a list and working with federal delegations on the key components so they could work in partner with the corp to start chopping away at some of that time. He said that he understood it would still take a while to chip it away, but it was his belief that at the beginning of the project, they could establish a process to implement projects faster.

Representative Morris moved the recommendation forward.

Laura Gail Sullivan read the tenth recommendation (AGCS #28): The Office of Coastal Protection and Restoration should continue to improve the new project budgeting and management system.

Jerome Zeringue commented that the name of new project was called At-Task.

Representative Morris moved the recommendation forward.

Representative Morris asked that he furnish Ms. Sullivan with information relative to anticipated questions from the committee or any that might have been recently asked.

Jerome Zeringue replied that he would be happy to do that.

Representative Morris called on the Department of Education.

Laura Gail Sullivan read the recommendation: The Legislature should require that all institutions of higher education bring their tables of organization on budget to the extent and in the same manner followed by other executive branch agencies.

Representative Morris commented that currently they do not do that and thought that as a legislative body they needed to have that information. There were no objection from advisory group member.

Representative Morris moved the recommendation forward.

ADJOURNMENT

Representative Jim Morris made a motion to adjourn without objection. There being no further business, the meeting was adjourned at 12:00 p.m.

NOVEMBER 16, 2009

DATE APPROVED

Representative Jim Morris, Chairman